

Committee: Security Council

Issue: The Crisis in Venezuela

Student Officer: Katerina Tsenekou

Position: Deputy Chair



PERSONAL INTRODUCTION

Dear Delegates,

My name is Katerina Tsenekou, and I am a student at Champion School. I enjoy History, Politics and International Relations, as well as travelling and keeping track of current affairs. I will be serving as the Deputy President of the Security Council for this year's CSMUN as the expert on the topic of "The crisis in Venezuela". Whilst I hope this study guide will provide you with all the necessary knowledge to tackle such a complex and controversial topic, I encourage you to make your own research and figure out creative and original solutions. With that being said I look forward to meeting you all in person and I wish you the best of luck!

If you have any inquiries, feel free to contact me at my email:

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Kind Regards,

Katerina Tsenekou

INTRODUCTION

A socioeconomic and political crisis that began in Venezuela during the presidency of Hugo Chávez, has continued into the presidency of Nicolás Maduro, his protégé. Maduro won the 2013 elections by 1.8%, but allegations are that these results have been tampered with. There has been growing unrest in Venezuela following years of economic mismanagement, repression and corruption. Millions of people have been driven out of the country amid hyperinflation, climbing hunger, disease, crime and death rates, power cuts and severe shortages of basic items — such as food and medicine.

The situation is the worst economic crisis in Venezuela's history and the worst facing a country that is not experiencing war since the mid-twentieth century.

In comparison to historical crises, the crisis in Venezuela is more severe than that of the United States during the Great Depression.¹

¹ https://en.m.wikipedia.org/wiki/Crisis_in_Venezuela

DEFINITION OF KEY TERMS

Repression

The use of force or violence to control a group of people²

Corruption

Illegal, bad, or dishonest behaviour, especially by people in positions of power³

Hyperinflation

A condition where the price of everything in a national economy goes out of control and increases very quickly⁴

Emigration

The process of leaving a country in order to live permanently in another country⁵

National Assembly in Venezuela

A body made up of a variable number of members - mostly from the political opposition, who were elected by a state-based vote.⁶

Constituent National Assembly

A constituent assembly elected in 2017 to draft a new constitution for Venezuela, as a parallel to the National Assembly.⁷

Supreme court of Venezuela/Supreme Tribunal of Justice

The highest court of law in Venezuela and is the head of the judicial branch. Its independence under the regime of Nicolas Maduro is questioned and there have recently been many disputes to whether this court is legitimate.⁸

² <https://www.google.gr/amp/s/dictionary.cambridge.org/amp/english/repression>

³ <https://www.google.gr/amp/s/dictionary.cambridge.org/amp/english/corruption>

⁴ <https://www.google.gr/amp/s/dictionary.cambridge.org/amp/english/hyperinflation>

⁵ <https://www.google.gr/amp/s/dictionary.cambridge.org/amp/english/emigrate>

⁶ [https://en.m.wikipedia.org/wiki/National_Assembly_\(Venezuela\)](https://en.m.wikipedia.org/wiki/National_Assembly_(Venezuela))

⁷ https://en.m.wikipedia.org/wiki/2017_Constituent_National_Assembly

⁸ [https://en.m.wikipedia.org/wiki/Supreme_Tribunal_of_Justice_\(Venezuela\)](https://en.m.wikipedia.org/wiki/Supreme_Tribunal_of_Justice_(Venezuela))

TIMELINE

Date	Event being discussed
2013	On March 5, Hugo Chávez, the country's president, died and Maduro was elected into office less than a month later.
2014	On January 23, campaigns and protests to remove Maduro from office started. Venezuela's Central Bank confirmed on December 30 that the country had entered a recession due to drop oil prices.
2015	In the legislative elections held in December 6, the opposition party gained a two-thirds supermajority in the National Assembly. Maduro, fearing for the security of his position, stacked the Supreme Court with justices loyal to him.
2017	On July 30, voters elected the members of the Constituent Assembly, which was created with the intent to change the constitution. Neighboring countries in Latin America, as well as the U.S., Canada and Spain, said they would not recognize the authority of the new branch.
2018	Presidential elections were held on May 20, and Maduro was reelected despite claims of fraud from the opposition. On November 8, the United Nations Refugee Agency announced that over 3 million people had fled Venezuela due to massive shortages of food and medicine.
2019	On January 10, Maduro started his second term and protests for Maduro to step down took place. Guaidó, leading the opposition, claimed the presidency on January 23, and is quickly supported by the US. The severing diplomatic ties with the U.S. followed.



TOPIC DISCUSSION

The government failed to cut spending in the face of falling oil revenues, and has dealt with the crisis by denying it exists and violently repressing opposition.⁹

Currently there are basic needs that are not being covered in Venezuela, such as poverty as at least 8 million Venezuelans don't have to eat.

As for food and water, Venezuela depends more than 70% on imports that it hasn't been able to afford since the price of oil dropped in 2014. The military has been granted control of food and the state has nationalized much of the industry so food trafficking is profitable.

Healthcare has also been neglected, while infectious diseases are spreading throughout the nation uncontrollably through contaminated food and water going around along with the lack of vaccination. This has a tremendous effect on mortality, especially of mothers and infants, while the lack in the psychiatric department is linked to an increased number of suicides.

Crime rates have risen tremendously as well. Now carjack gangs set up ambushes, sometimes laying down nail-embedded strips to puncture tires of vehicles ferrying potential quarry. Motorists speak matter-of-factly of spotting body parts along roadways.¹⁰ While most crime victims are poor, they also include members of the middle and upper classes and scores of police and military personnel killed each year, sometimes for their weapons. "Before the thieves would only rob you, now they kill you" is a common refrain in Venezuela.

As for repression, it has risen along with politically motivated detentions. There are at least 900 political prisoners, with more arrests of people being held longer in poor conditions and

⁹<https://www.quora.com/What-causes-hyperinflation-in-Venezuela>

¹⁰

<https://hotair.com/archives/john-s-2/2016/06/06/venezuelan-social-order-collapsing-as-looting-robbery-and-murder-become-the-norm/>

on dubious charges. Most are working-class people, who have been driven to protest by the crisis.

According to the UN, the first part of 2018, about 5,000 Venezuelans were leaving Venezuela daily, heading to Colombia, Peru, Chile, Ecuador, Argentina and Brazil.

Since the mid-2000s during Chávez's presidency, Venezuela has had a housing crisis, estimated that there was a shortage of 1.6 million homes, with only 10,000 of 120,000 promised homes constructed by Chávez's government despite billions of dollars in investments. Venezuelans attempted to construct homes on their own despite structural risks.¹¹ Under the Maduro government, housing shortages continued to worsen. Maduro announced in 2014 that due to the shortage of steel, abandoned cars and other vehicles would be acquired by the government and melted to provide rebar for housing.

¹¹ https://en.m.wikipedia.org/wiki/Shortages_in_Venezuela

CAUSES

Hyperinflation: Venezuela's inflation rate, which has been over 50 percent since 2014, reached 536.2 percent in 2017, largely due to the rapid depreciation of the local currency on the black market.

Venezuelan sanctions : In August 2017 President of the United States Donald Trump imposed sanctions on Venezuela which banned transactions involving Venezuela's state debt including debt restructuring.

Political instability: Venezuelans find themselves with two declared leaders, unrest in the streets and foreign powers divided about who to recognize as the legitimate president. Guaido is recognised by some countries and not by some others, even though Maduro is still considered the official leader retaining control of the government and the authorities. This divides venezuelans in two classes, for and against Maduro, creating even more conflict getting in the way of economic growth.

Waning Support

Global leaders back Venezuela's Guaido as Maduro clings to usual allies

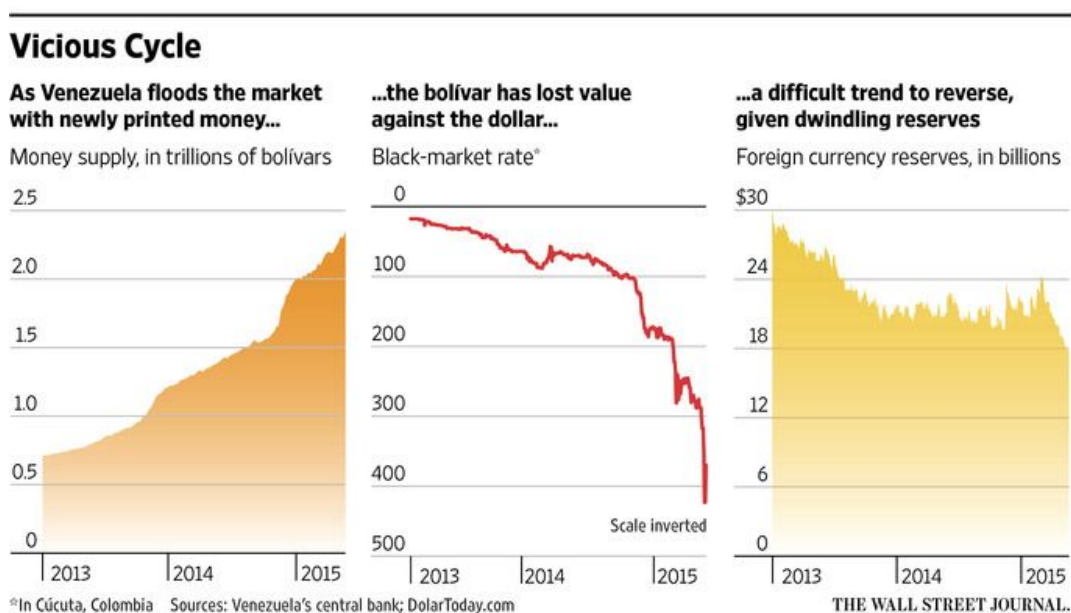
■ Supporting Guaido ■ Supporting Maduro ■ Call for dialog



Source: Bloomberg research

Bloomberg

Currency manipulation by the government: While the official currency is 10 bolivars for 1 US dollar, in reality this only applies to Maduro’s trading transactions. When it comes to Venezuelan people purchasing, the currency they are forced to use is 10,000 bolivars for 1 US dollar, that way the government makes money. ¹²While, only those deemed to have valid reasons to buy dollars, for example to import goods, have been allowed to change their bolivars at a fixed rate set by the government. With many Venezuelans unable to freely buy dollars, they turned to the black market where they were able to use a currency closer to the real value of the exchange. Now Venezuela devalued its currency by almost 35 percent to bring it into line with the exchange rate of the dollar on the black market, as the government artificially overvalued the bolivar.



Oil industry: In 2018, in the El Tigre-San Tomé region, a key region for oil production in eastern Venezuela, oil workers were fleeing the state-owned oil company as salaries could not keep up with hyperinflation, reducing families to starvation. Workers and criminals

stripped vital oil industry equipment of anything valuable, ranging from pickup trucks to the copper wire within critical oil production components.

Airline industries: Domestic airlines are having difficulties because of hyperinflation and parts shortages, and most international airlines have left the country. Airlines from many countries ceased operating in Venezuela, making transportation to and from the country difficult.

Socialist policies: Socialist policies were brought in aiming to help the poor and backfired. Price controls were one of the measures introduced to make basic goods more affordable to the poor by capping the price of flour, cooking oil and toiletries. However, this meant that the few Venezuelan businesses producing these items no longer found it profitable to make them and therefore, shut down.

POSSIBLE SOLUTIONS

The elimination of any corruption when it comes to the electoral institutions of the state would be a step in the right direction.

One should also consider the support of Non-Governmental Organizations (NGOs) when it comes to covering the basic needs of the Venezuelan population.

In addition, it is vital that the confusion regarding the country's leadership comes to an end through an intervention, ensuring proper, democratic elections.

When it comes to the country's bad financials, a strategy has to be figured out in order to alleviate the economic crisis, as well as for the economic sanctions to come to an end in order to allow economic recovery.

MAJOR COUNTRIES AND ORGANISATIONS INVOLVED

United States of America (USA)

The two countries' relations were strained after the 2017 US sanctions on Venezuelan oil, causing the US to be one of the most firm supporters of the opposition to Maduro, and thus they have confirmed their support for the Guaido presidency.

Peru

Peru is the main country where Venezuelan migrants are headed to. It has received over 280,000 asylum applications by Venezuelan citizens and given temporary residence permits to over 390,000. It is although aiming to sever diplomatic ties with the country, as well as issuing travel bans against all top officials in President Maduro's government.

Russian Federation

The Russian Federation can be considered one of the greatest, if not the greatest ally of the country, as they have a political, military and economic alliance. It has threatened to block any council resolutions to suspend Venezuela from the United Nations, is Venezuela's largest supplier of weapons and a lender of last resort. In the past few months, Russia's support allowed Maduro to claim the backing of a powerful ally and to maintain critical support in the military and the ruling party. In economic matters though, Russian state-owned companies are cutting back on the business they do with the bankrupt nation to protect their economy. This suggests that a change in regime would not negatively affect the two nations' relationship.

China

China is another ally of Venezuela, as the two countries seem to be getting along in economic and political matters. It supports Maduro, while it is an important trading partner of Venezuela. A political crisis is unlikely to negatively affect the wide commercial and geostrategic relationship linking the two countries. This is demonstrated by recent meetings

between Chinese officials and representatives of the Venezuelan opposition, which supports Guaidó, who himself has said that he will maintain trade agreements with China and Russia.

NATO

NATO members agreed that Russian troops needed to withdraw from Venezuela, where they were deployed in support of President Nicolás Maduro, who is under pressure from a coalition of more than 50 countries to step down. Other than that, it has recruited Colombia for membership.

UN INVOLVEMENT

There had been a proposed US resolution by the USA on 10 January 2019 (CP/RES. 1117), which called for new presidential elections in Venezuela and unimpeded delivery of humanitarian aid and won the required nine votes at the 15-member council, but Moscow and Beijing joined forces to block it.

Russia proposed a draft resolution which urged a settlement through peaceful means and insisted that all humanitarian aid be agreed by President Nicolas Maduro's government won only four votes: Russia, China, South Africa and Equatorial Guinea.

Seven countries including the United States, European countries and Peru opposed the Russian measure and there were four abstentions.

TIPS ON HOW TO APPROACH THIS TOPIC

Even though this is a detailed study guide, it is inadequate when it comes to completely covering the entire topic of the Venezuelan crisis. Therefore, in preparation for the conference you delegates will need to individually research the topic as well. After going through the study guide, I suggest that you research any subtopic which you do not quite understand or that you need more information on. Then, you should generally research your country, its allies and enemies. After that comes figuring out your country's and its allies' relationship with Venezuela and looking into any action that's been taken involving your country. This should be sufficient for you to complete your research on the matter.

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